

ADAIR COUNTY SANITARY LANDFILL AND RECYCLING CENTER

INDEPENDENT AUDITOR'S REPORT
FINANCIAL STATEMENT AND
OTHER INFORMATION
SCHEDULE OF FINDINGS AND RESPONSES

YEAR ENDED JUNE 30, 2016

Adair County Sanitary Landfill and Recycling Center

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Adair County Sanitary Landfill and Recycling Center

Officials

<u>Name</u>	<u>Title</u>	<u>Representing</u>
Matt Wedemeyer	Chair	Adair County
Michelle King	Vice-Chair	City of Casey
Daryl Nelson	Member	Adair County
Steve Frese	Member	City of Bridgewater
Cindy Baldago	Member	City of Fontanelle
Ronnie Smith	Member	City of Greenfield
Jeff Lee	Member	City of Menlo
Gary Lowe	Member	City of Orient
Delmar Frisbie	Director	

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Adair County
Sanitary Landfill and Recycling Center

Report on the Financial Statements

We have audited the accompanying financial statement of Adair County Sanitary Landfill and Recycling Center as of and for the year ended June 30, 2016, and the related Notes to Financial Statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the cash basis of accounting described in Note 1. This includes determining the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. This includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Center's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

To the Members of the Adair County
Sanitary Landfill and Recycling Center

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash basis financial position of Adair County Sanitary Landfill and Recycling Center as of June 30, 2016 and the changes in its cash basis financial position for the year then ended in accordance with the basis of accounting described in Note 1.

Basis of Accounting

As described in Note 1, the financial statement was prepared on the basis of cash receipts and disbursements, which is a basis of accounting other than U.S. generally accepted accounting principles. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

The other information, Management's Discussion and Analysis, the Schedule of the Center's Proportionate Share of the Net Pension Liability and the Schedule of Center Contributions information on pages 4 through 4c and on pages 19 through 21, has not been subjected to the auditing procedures applied in the audit of the basic financial statement and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 29, 2016 on our consideration of Adair County Sanitary Landfill and Recycling Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Adair County Sanitary Landfill and Recycling Center's internal control over financial reporting and compliance.

Gmeinhart, Ben, Kuhn & Co., P.C.

Atlantic, Iowa
December 29, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Adair County Sanitary Landfill and Recycling Center (ACSL&RC) provides this Management's Discussion and Analysis of its financial statement. This narrative overview and analysis of the financial activities of the ACSL&RC is for the fiscal year ended June 30, 2016. We encourage readers to consider this information in conjunction with the financial statement, which follows.

2016 FINANCIAL HIGHLIGHTS

Operating receipts increased 1.7%, or approximately \$9,613, from fiscal year 2015 to fiscal year 2016.

Operating disbursements decreased 13.1%, or approximately \$55,139 from fiscal year 2015 to fiscal year 2016.

The cash balance increased 4.2%, or approximately \$38,005, from June 30, 2015 to June 30, 2016.

The Center paid down \$126,700 on the notes they owe, which amounted to a decrease of 19% of their total debt outstanding.

USING THIS ANNUAL REPORT

The ACSL&RC has elected to present its financial statement on the cash basis of accounting. The cash basis of accounting is a basis of accounting other than U.S. generally accepted accounting principles. Basis of accounting refers to when financial events are recorded, such as the timing for recognizing revenues, expenses and the related assets and liabilities. Under the cash basis of accounting, revenues and expenses and the related assets and liabilities are recorded when they result from cash transactions.

As a result of the use of this cash basis of accounting, certain assets and their related revenues and liabilities and their related expenses are not recorded in this financial statement. Therefore, when reviewing the financial information and discussion within this annual report, readers should keep in mind the limitations resulting from the use of the cash basis of accounting.

The annual report is presented in a format consistent with the presentation of Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the cash basis of accounting.

This discussion and analysis is intended to serve as an introduction to the financial statement. The annual report consists of the financial statement and other information, as follows:

Management's Discussion and Analysis introduces the financial statement and provides an analytical overview of the ACSL&RC's financial activities.

The Statement of Cash Receipts, Disbursements and Changes in Cash Balance presents information of ACSL&RC's operating receipts and disbursements, non-operating receipts and disbursements and whether the ACSL&RC's cash basis financial position has improved or deteriorated as a result of the year's activities.

The Notes to Financial Statement provide additional information essential to a full understanding of the data provided in the financial statement.

Other Information further explains and supports the Commission's proportionate share of the net pension liability and related contributions.

FINANCIAL ANALYSIS OF THE CENTER

Statement of Cash Receipts, Disbursements and Changes in Cash Balance

The purpose of the statement is to present the receipts received by the ACSL&RC and the disbursements paid by the ACSL&RC, both operating and non-operating. The statement also presents a fiscal snapshot of the ACSL&RC's cash balance at year end. Over time, readers of the financial statement are able to determine the ACSL&RC's cash basis financial position by analyzing the increase or decrease in the cash balance.

Operating receipts are received for gate fees from accepting solid waste and assessments from the members of the ACSL&RC. Operating disbursements are disbursements paid to operate the landfill. Non-operating receipts and disbursements are for interest on investments, land rent, equipment purchases, construction costs, loan proceeds and principal and interest payments on loans and installment purchase agreements. A summary of cash receipts, disbursements and changes in cash balance for the years ended June 30, 2016 and June 30, 2015 is presented below:

	Year ended June 30,	
	2016	2015
Operating receipts:		
Gate and recycling fees	\$ 400,819	\$ 433,979
County contributions	42,672	42,672
City contributions	79,394	86,331
Miscellaneous	54,891	5,181
Total operating receipts	<u>577,776</u>	<u>568,163</u>
Operating disbursements:		
Salaries and benefits	130,441	117,694
Postclosure costs	--	57,333
Other	234,313	244,866
Total operating disbursements	<u>364,754</u>	<u>419,893</u>
Excess of operating receipts over operating disbursements	<u>213,022</u>	<u>148,270</u>
Non-operating receipts (disbursements):		
Interest on investments	8,629	7,579
Land rent	26,375	40,500
Equipment purchased	(65,412)	(10,902)
Principal on notes payable	(126,700)	(100,500)
Interest on notes payable	(17,909)	(22,229)
Net non-operating receipts (disbursements)	<u>(175,017)</u>	<u>(85,552)</u>
Change in cash balance	38,005	62,718
Cash balance beginning of year	<u>901,844</u>	<u>839,126</u>
Cash balance end of year	<u>\$ 939,849</u>	<u>\$ 901,844</u>

	Year ended June 30.	
	2016	2015
Cash Basis Fund Balance		
Restricted for:		
Postclosure care	\$ 740,562	\$ 712,899
Transfer station closure	24,000	24,000
Tonnage fees retained	10,625	9,864
Total restricted cash basis fund balance	775,187	746,763
Unrestricted:		
Assigned	54,384	83,033
Unassigned	110,278	72,048
Total unrestricted cash basis fund balance	164,662	155,081
Total cash basis fund balance	\$ 939,849	\$ 901,844

In fiscal 2016, operating receipts increased \$9,613, or 1.7%, from fiscal 2015. The increase was due to insurance proceeds received.

The largest portion of the ACSL&RC's cash balance, is restricted for closure and postclosure care. State and federal laws and regulations require the ACSL&RC to place a final cover on the landfill site and perform certain maintenance and monitoring functions at the landfill site for a minimum of thirty years after closure. The remaining cash balance is unrestricted and can be used to meet the ACSL&RC's obligations as they come due. Restricted cash balance increased \$28,424 or 4%, during the year. This money will be used for engineering fees for post closure care. The increase was due to additional funds being set aside for postclosure care. Unrestricted cash balance increased by \$9,581 or 6% for the year.

LONG-TERM DEBT

At June 30, 2016, the ACSL&RC paid down \$80,000 on the farm mortgage to First National Bank. The loan was obtained in previous years to finance the costs of closing the cells.

An additional \$21,700 was paid down on the swap grant loan that was obtained to purchase recycling equipment.

And finally \$25,000 was paid down on the Iowa Finance Authority Bond. There were no additional loan agreements signed in fiscal year 2016.

ECONOMIC FACTORS

ACSL&RC's cash basis financial position increased during the current fiscal year. The current condition of the economy in the state continues to be a concern for ACSL&RC officials. Some of the realities that may potentially become challenges for the ACSL&RC to meet are:

- Facilities require constant maintenance and upkeep.
- Extreme weather causing issues in the cover of the closed cells.
- Technology continues to expand and current technology becomes outdated, presenting an on-going challenge to maintain up-to-date technology at a reasonable cost.
- Annual deposits required to be made to closure and postclosure care accounts are based on constantly changing cost estimates.
- Fuel prices continue to impact the expenses for the Center's recycling routes.

- Due to the economy, the market for recyclables declined causing the Center to lose a significant amount of money handling recyclables.
- In August, 2009, the Center started transferring its waste to the Metro Park West facility. And in fiscal year 2012, the cell was officially closed, and now the Center hauls everything to Metro Waste Authority.
- In Spring 2016 the Center's truck was damaged in an accident. Insurance proceeds were received to offset the repairs made and rental of a replacement truck while repairs were being made.

Since all the cells are closed and the landfill is operating solely as a transfer station, no large expenditures for closure costs were expected. A leak in one of the cells was discovered at inspection time in the prior fiscal year that cost the Center approximately \$50,000 to repair. This restricted the cash flow that the landfill previously had planned to pay additional payments on the debt during the current year.

CONTACTING THE CENTER'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the ACSL&RC's finances and to show the ACSL&RC's accountability for the money it receives. If you have questions about this report or need additional financial information, contact ACSL&RC at 1645 State Highway #25, Menlo, IA 50164, by calling 641-743-8343 or at acclr@wildblue.net on the internet.

Adair County Sanitary Landfill and Recycling Center

Statement of Cash Receipts, Disbursements and
Changes in Cash Balance

Year ended June 30, 2016

Operating receipts:	
Gate and recycling fees	\$ 400,819
County contributions	42,672
City contributions	79,394
Miscellaneous	54,891
Total operating receipts	<u>577,776</u>
Operating disbursements:	
Salaries and benefits	130,441
Advertising and supplies	8,308
Disposal costs	101,076
Fuel	19,017
Household hazard facility contract	1,074
Insurance	12,634
Maintenance and repair	27,358
Professional services	38,651
Rock	1,556
Tonnage fees	9,423
Training and travel	2,769
Utilities	9,961
Miscellaneous	2,486
Total operating disbursements	<u>364,754</u>
Excess of operating receipts over operating disbursements	213,022
Non-operating receipts (disbursements):	
Interest on investments	8,629
Land rent	26,375
Equipment purchased	(65,412)
Principal on notes payable	(126,700)
Interest on notes payable	(17,909)
Net non-operating receipts (disbursements)	<u>(175,017)</u>
Change in cash balance	38,005
Cash balance beginning of year	<u>901,844</u>
Cash balance end of year	<u>\$ 939,849</u>

(continued next page)

Adair County Sanitary Landfill and Recycling Center

Statement of Cash Receipts, Disbursements and
Changes in Cash Balance - Continued

Year ended June 30, 2016

Cash Basis Fund Balance

Restricted for:

Postclosure care	\$ 740,562
Transfer station closure	24,000
Tonnage fees retained	<u>10,625</u>
Total restricted cash basis fund balance	775,187

Unrestricted:

Assigned for recycling	1,315
Assigned for equipment	53,069
Unassigned	<u>110,278</u>
Total unrestricted cash basis fund balance	<u>164,662</u>

Total cash basis fund balance	<u>\$ 939,849</u>
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See notes to financial statement.

Adair County Sanitary Landfill and Recycling Center

Notes to Financial Statement

June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Adair County Sanitary Landfill and Recycling Center was formed in 1973 pursuant to the provisions of Chapter 28E of the Code of Iowa. The purpose of the Center is to develop, operate and maintain solid waste and recycling facilities in Adair County on behalf of the units of government which are members of the Center.

The governing body of the Center is composed of one representative from each of the seven member cities and two representatives from Adair County. The member cities are: Orient, Stuart, Bridgewater, Casey, Fontanelle, Greenfield and Menlo. The commissioners are appointed by the participating governmental subdivisions and each has one vote for each one hundred population, except for Adair County whose votes are to be shared by two members.

A. Reporting Entity

For financial reporting purposes, the Adair County Sanitary Landfill and Recycling Center has included all funds, organizations, agencies, boards, commissions and authorities. The Center has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the Center are such that exclusion would cause the Center's financial statement to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the Center to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the Center. The Center has no component units which meet the Governmental Accounting Standards Board criteria.

B. Basis of Presentation

The accounts of the Center are organized as an Enterprise Fund. Enterprise Funds are utilized to finance and account for the acquisition, operation and maintenance of governmental facilities and services supported by user charges.

Enterprise Funds distinguish operating receipts and disbursements from non-operating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with an Enterprise Fund's principal ongoing operations. All receipts and disbursements not meeting this definition are reported as non-operating receipts and disbursements.

Adair County Sanitary Landfill and Recycling Center

Notes to Financial Statement

June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. Basis of Accounting

The Adair County Sanitary Landfill and Recycling Center maintains its financial records on the basis of cash receipts and disbursements and the financial statement of the Center is prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items, including the estimated payables for closure and postclosure care. Accordingly, the financial statement does not present the financial position and results of operations of the Center in accordance with U.S. generally accepted accounting principles.

D. Cash Basis Fund Balance

Funds set aside for payment of closure and postclosure care and tonnage fees are classified as restricted.

NOTE 2 - CASH AND INVESTMENTS

The Center's deposits in banks at June 30, 2016 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The Center is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Center; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

The Center had no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 3, as amended by Statement 40.

Interest rate risk. The Center's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) to instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days, but the maturities shall be consistent with the needs and use of the Center.

Adair County Sanitary Landfill and Recycling Center

Notes to Financial Statement

June 30, 2016

NOTE 3 - PENSION PLAN

Plan Description - IPERS membership is mandatory for employees of the Center, except for those covered by another retirement system. Employees of the Center are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive, P.O. Box 91117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

IPERS benefits are established under Iowa Code chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits - A regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, anytime after reaching age 62 with 20 or more years of covered employment or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. These qualifications must be met on the member's first month of entitlement to benefits. Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

- A multiplier (based on years of service).
- The member's highest five-year average salary, except for members with service before June 30, 2012 will use the highest three-year average salary as of that date if it is greater than the highest five-year average salary.

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25% for each month the member receives benefits before the member's earliest normal retirement age. For service earned on or after July 1, 2012, the reduction is 0.50% for each month that the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

Disability and Death Benefits - A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

Adair County Sanitary Landfill and Recycling Center

Notes to Financial Statement

June 30, 2016

NOTE 3 - PENSION PLAN - Continued

Contributions - Contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. State statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires that the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll, based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2015, pursuant to the required rate, Regular members contributed 5.95% of covered payroll and the Center contributed 8.93% of covered payroll for a total rate of 14.88%.

The Center's contributions to IPERS for the year ended June 30, 2016 were \$8,282.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2016, the Center had a liability of \$64,787 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Center's proportion of the net pension liability was based on the Center's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2015, the Center's proportion was 0.001303%, which was an increase of 0.000006% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the Center pension expense, deferred outflows and deferred inflows totaled \$5,464, \$12,456, and \$15,085, respectively.

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions - The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation (effective June 30, 2014)	3.00% per annum.
Rates of salary increase (effective June 30, 2010)	4.00% to 17.00% average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 1996)	7.50% compounded annually, net of investment expense, including inflation.
Wage growth (effective June 30, 1990)	4.00% per annum, based on 3.00% inflation and 1.00% real wage inflation.

Adair County Sanitary Landfill and Recycling Center

Notes to Financial Statement

June 30, 2016

NOTE 3 - PENSION PLAN - Continued

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

Mortality rates were based on the RP-2000 Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The long-term expected rate of return on IPERS' investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Core plus fixed income	28%	2.04%
Domestic equity	24	6.29
International equity	16	6.75
Private equity/debt	11	11.32
Real estate	8	3.48
Credit opportunities	5	3.63
U.S. TIPS	5	1.91
Other Real Assets	2	6.24
Cash	1	(0.71)
Total	<u>100%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rate and contributions from the Center will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS' fiduciary net position was projected to be available to make all projected future benefit payments to current active and inactive employees. Therefore, the long-term expected rate of return on IPERS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

Adair County Sanitary Landfill and Recycling Center

Notes to Financial Statement

June 30, 2016

NOTE 3 - PENSION PLAN - Continued

Sensitivity of the Center's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Center's proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what the Center's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate.

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
Center's proportionate share of the net pension liability	\$ 113,430	\$ 64,787	\$ 23,728

IPERS' Fiduciary Net Position - Detailed information about IPERS' fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at www.ipers.org.

NOTE 4 - CLOSURE AND POSTCLOSURE CARE COSTS

To comply with federal and state regulations, the Center is required to complete a monitoring system plan and a closure/postclosure plan and to provide funding necessary to effect closure and postclosure, including the proper monitoring and care of the landfill after closure. Environmental Protection Agency (EPA) requirements have established closure and thirty-year care requirements for all municipal solid waste landfills which receive waste after October 9, 1993. State governments are primarily responsible for implementation and enforcement of those requirements and have been given flexibility to tailor requirements to accommodate local conditions that exist. The effect of the EPA requirement is to commit landfill owners to perform certain closing functions and postclosure monitoring functions as a condition for the right to operate the landfill in the current period. The EPA requirements provide when a landfill stops accepting waste, it must be covered with a minimum of twenty-four inches of earth to keep liquid away from the buried waste. Once the landfill is closed, the owner is responsible for maintaining the final cover, monitoring ground water and methane gas, and collecting and treating leachate (the liquid that drains out of waste) for thirty years.

Governmental Accounting Standards Board Statement No. 18 requires landfill owners to estimate total landfill closure and postclosure care costs and recognize a portion of these costs each year based on the percentage of estimated total landfill capacity used that year. Estimated total costs consist of four components: (1) the cost of equipment and facilities used in postclosure monitoring and care, (2) the cost of final cover (material and labor), (3) the cost of monitoring the landfill during the postclosure period and (4) the cost of any environmental cleanup required after closure. Estimated total cost is based on the cost to purchase those services and equipment currently and is required to be updated annually due to the potential for changes due to inflation or deflation, technology, or applicable laws or regulations.

Adair County Sanitary Landfill and Recycling Center

Notes to Financial Statement

June 30, 2016

NOTE 4 - CLOSURE AND POSTCLOSURE CARE COSTS - Continued

These costs for the Adair County Sanitary Landfill and Recycling Center have been estimated to be \$ - 0 - for closure and \$729,191 for postclosure, for a total of \$729,191 as of June 30, 2016. Effective April 1, 2012, the Center became a transfer station for all waste.

Chapter 455B.306(9)(b) of the Code of Iowa requires permit holders of municipal solid waste landfills to maintain separate closure and postclosure care accounts to accumulate resources for the payment of closure and postclosure care costs. The Adair County Sanitary Landfill and Recycling Center has begun to accumulate resources to fund these costs and, at June 30, 2016, assets of \$740,562 are restricted for these purposes, of which \$ - 0 - is for closure and \$740,562 is for postclosure care. They are reported as restricted cash balance on the Statement of Cash Receipts, Disbursements and Changes in Cash Balance.

Also, pursuant to Chapter 567-113.14 of the Iowa Administrative Code (IAC), if the estimated closure and postclosure care costs are not fully funded, the Center would be required to demonstrate financial assurance for the unfunded costs. The Center has adopted the dedicated fund financial assurance mechanism. Under this mechanism, the Center must certify the following to the Iowa Department of Natural Resources:

- The fund is dedicated by local government statute as a reserve fund.
- Payments into the fund are made annually over a pay-in period of ten years or the permitted life of the landfill, whichever is shorter.
- Annual deposits to the fund are determined by the following formula:

$$NP = \frac{CE - CB}{Y}$$

NP = next payment

CE = total required financial assurance

CB = current balance of the fund

Y = number of years remaining in the pay-in period

Chapter 567-113.14(8) of the IAC allows a government to choose the dedicated fund mechanism to demonstrate financial assurance and use the accounts established to satisfy the closure and postclosure care account requirements. Accordingly, the Center is not required to establish closure and postclosure accounts in addition to the accounts established to comply with the dedicated fund financial assurance mechanism.

Adair County Sanitary Landfill and Recycling Center

Notes to Financial Statement

June 30, 2016

NOTE 5 - TRANSFER STATION CLOSURE CARE

To comply with state regulations, the Center is required to complete a closure plan detailing how the transfer station will comply with proper disposal of all solid waste and litter at the site, cleaning the transfer station building, including the rinsing of all surfaces which have come in contact with solid waste or washwater, cleaning of all solid waste transport vehicles which will remain on site, including the rinsing of all surfaces which have come in contact with solid waste and the removal and proper management of all washwater in the washwater management system.

To comply with state regulations, the Center is required to maintain a closure account as financial assurance for the closure care costs. The effect of the state requirement is to commit landfill owners to perform certain closing functions as a condition for the right to operate the transfer station.

The total transfer station closure care costs for the Center as of June 30, 2016 have been estimated at approximately \$24,000. The balance has been restricted and is fully funded at June 30, 2016.

NOTE 6 - SOLID WASTE TONNAGE FEES RETAINED

The Center has established an account for restricting and using solid waste tonnage fees retained by the Center in accordance with Chapter 455B.310 of the Code of Iowa. At June 30, 2016, the unspent tonnage fees retained by the Center and restricted for the required purposes totaled \$10,625.

NOTE 7 - RISK MANAGEMENT

The Center is a member of the Iowa Communities Assurance Pool, as allowed by Chapter 670.7 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 746 members include various governmental entities throughout the State of Iowa. The Pool was formed in August, 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property, inland marine and boiler/machinery. There have been no reductions in insurance coverage from prior years.

Each members' annual casualty contributions to the Pool fund current operations and provide capital. Annual casualty operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses and reinsurance expenses estimated for the fiscal year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained at a level determined by the Board not to exceed 300% of basis rate.

Adair County Sanitary Landfill and Recycling Center

Notes to Financial Statement

June 30, 2016

NOTE 7 - RISK MANAGEMENT - Continued

The Pool also provides property coverage. Members who elect such coverage make annual property operating contributions which are necessary to fund, on a cash basis, the Pool's general and administrative expenses and reinsurance premiums, losses and loss expenses for property risks estimated for the fiscal year, plus all or any portion of any deficiency in capital. Any year-end operating surplus is transferred to capital. Deficiencies in operations are offset by transfers from capital and, if insufficient, by the subsequent year's member contributions.

The Center's property and casualty contributions to the risk pool are recorded as disbursements from its operating funds at the time of payment to the risk pool. The Center's contribution to the Pool for the year ended June 30, 2016 was \$12,634.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$350,000 per claim. Claims exceeding \$350,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the Center's risk-sharing certificate. Property and automobile physical damage risks are retained by the Pool up to \$250,000 each occurrence, each location. Property risks exceeding \$250,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of the risk-sharing protection provided by the Center's risk-sharing certificate.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim, property loss, or series of claims or losses exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event a casualty claim, property loss or series of claims or losses exhausts the Pool's funds and any excess risk-sharing recoveries, then payment of such claims or losses shall be the obligation of the respective individual member against whom the claim was made or the loss was incurred.

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given 60 days' prior written notice may withdraw from the Pool. Upon withdrawal, payments for all casualty claims and claims expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Upon withdrawal, a formula set forth in the Pool's intergovernmental contract with its members is applied to determine the amount (if any) to be refunded to the withdrawing member.

The Center also carries commercial insurance purchased from other insurers for coverage associated with workers' compensation and employee blanket bond in the amount of \$1,000,000 and \$20,000. The Center assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Adair County Sanitary Landfill and Recycling Center

Notes to Financial Statement

June 30, 2016

NOTE 8 - LONG-TERM DEBT

During the year ended June 30, 2010, the Center entered into an agreement with Iowa Finance Authority to build a leachate holding area to improve water quality, costing \$551,613. The dirt that was removed was used to close a landfill cell. The agreement requires annual principal payments ranging from \$21,000 to \$37,000 and semi-annual interest payments of 3% beginning September 23, 2009 and matures June 1, 2029. At June 30, 2016, the balance of the bond was \$407,000. The bond is collateralized by land.

During the year ended June 30, 2012, the Center entered into an agreement with First National Bank to refinance one of their note agreements and to close a landfill cell. The agreement requires annual installments of \$50,413 beginning April 4, 2013 and matures April 4, 2022. The installment payments include interest at 3.00%. At June 30, 2016, the balance of the note was \$129,587. The note is collateralized by land.

During the year ended June 30, 2012, the Center entered into an agreement with the Iowa Department of Natural Resources to purchase equipment to facilitate the recycling of asphalt shingles. The agreement required quarterly installments of \$3,100 beginning October 15, 2012. The agreement was a 0% interest note and was scheduled to mature July 15, 2017. The Center paid off the loan during fiscal year 2016. At June 30, 2016, the balance of the note was \$ - 0 - . The note was collateralized by the equipment purchased.

A summary of changes in long-term debt liabilities for the year ended June 30, 2016 is as follows. See Note 10 for description of compensated absences liability.

	Bond and Notes Payable	Compensated Absences	Total
Balance beginning of year	\$ 663,287	\$ 8,800	\$ 672,087
Increases	--	--	--
Decreases	<u>126,700</u>	<u>--</u>	<u>126,700</u>
Balance end of year	<u>\$ 536,587</u>	<u>\$ 8,800</u>	<u>\$ 545,387</u>
Due within one year	<u>\$ 82,355</u>	<u>\$ 8,800</u>	<u>\$ 91,155</u>

Adair County Sanitary Landfill and Recycling Center

Notes to Financial Statement

June 30, 2016

NOTE 8 - LONG-TERM DEBT - Continued

Scheduled principal and interest repayments on long-term debt are as follows:

Year ending June 30,	Long-Term Debt		Total
	Principal	Interest	
2017	\$ 69,955	\$ 18,668	\$ 88,623
2018	72,274	16,569	88,843
2019	68,358	14,401	82,759
2020	29,000	9,780	38,780
2021	29,000	8,910	37,910
2022-2026	160,000	30,900	190,900
2027-2029	108,000	6,540	114,540
	<u>\$ 536,587</u>	<u>\$ 105,768</u>	<u>\$ 642,355</u>

NOTE 9 - DESIGNATED FUNDS

The Center maintains designated funds in separate savings accounts which are identified for specific purposes, as follows:

Purpose	Amount
Recycling	\$ 1,315
Equipment	<u>53,069</u>
Total	<u>\$ 54,384</u>

NOTE 10 - COMPENSATED ABSENCES

Center employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, retirement or death. Accumulated sick leave is paid at 30%, not to exceed 90 days, upon retirement. These accumulations are not recognized as disbursements by the Center until used or paid. The Center's approximate liability for accumulated sick leave and earned vacation at June 30, 2016 was \$5,500 and \$3,300, respectively. This liability has been computed based on rates of pay in effect at June 30, 2016.

Adair County Sanitary Landfill and Recycling Center

Notes to Financial Statement

June 30, 2016

NOTE 11 - OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description: The Center operates a single-employer health benefit plan which provides medical/prescription drug benefits for employees, retirees and their spouses. There are 2 active and 0 retired members in the plan. Retired participants must be age 55 or older at retirement.

The medical/prescription drug benefits are provided through a fully-insured plan with Wellmark. Retirees under age 65 pay the same premium for the medical/prescription drug benefits as active employees.

Funding Policy: The contribution requirements of plan members are established and may be amended by the Center. The Center currently finances the benefit plan on a pay-as-you-go basis. For the year ended June 30, 2016, the Center contributed \$18,099 and plan members eligible for benefits contributed \$9,210 to the plan.

Potential for Liability: Management of the County of Adair had an actuarial valuation performed dated August 3, 2016. The actuarial report noted the unfunded actuarial accrued liability to be \$99,197 for the County with a liability of \$2,918 for the Center.

NOTE 12 - CONTINGENCIES

Subsequent Event

The Center has evaluated all subsequent events through December 29, 2016, the date the financial statement was available to be issued.

* * *

OTHER INFORMATION

Adair County Sanitary Landfill and Recycling Center
Schedule of the Center's Proportionate Share of the Net Pension Liability

Iowa Public Employees' Retirement System
For the Last Two Years*

	<u>2016</u>	<u>2015</u>
Center's proportion of the net pension liability	0.001303%	0.001297%
Center's proportionate share of the net pension liability	\$ 64,787	\$ 52,506
Center's covered-employee payroll	\$ 89,839	\$ 87,135
Center's proportionate share of the net pension liability as a percentage of its covered-employee payroll	72.11%	60.26%
Plan fiduciary net position as a percentage of the total pension liability	85.19%	87.61%

* - In accordance with FASB Statement No. 68, the amounts presented for each fiscal year were determined as of June 30 of the preceding year.

Note - GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the Center will present information for those years for which information is available.

See accompanying independent auditor's report.

Adair County Sanitary Landfill and Recycling Center
Schedule of Center Contributions

Iowa Public Employees' Retirement System
Last 7 Fiscal Years

Other Information

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Statutorily required contribution	\$ 8,282	\$ 8,022	\$ 7,781	\$ 7,450
Contributions in relation to the statutorily required contribution	<u>(8,282)</u>	<u>(8,022)</u>	<u>(7,781)</u>	<u>(7,450)</u>
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Center's covered-employee payroll	\$ 92,740	\$ 89,839	\$ 87,135	\$ 85,934
Contributions as a percentage of covered-employee payroll	8.93%	8.93%	8.93%	8.67%

Note - GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the Center will present information for those years for which information is available.

See accompanying independent auditor's report.

<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 7,054	\$ 6,047	\$ 6,689
<u>(7,054)</u>	<u>(6,047)</u>	<u>(6,689)</u>
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
\$ 87,408	\$ 87,002	\$ 100,584
8.07%	6.95%	6.65%

Adair County Sanitary Landfill and Recycling Center
Notes to Other Information - Pension Liability
Year Ended June 30, 2016

Changes of benefit terms:

Legislation passed in 2010 modified benefit terms for current Regular members. The definition of final average salary changed from the highest three to the highest five years of covered wages. The vesting requirement changed from four years of service to seven years. The early retirement reduction increased from 3% per year measured from the member's first unreduced retirement age to a 6% reduction for each year of retirement before age 65.

Legislative action in 2008 transferred four groups - emergency medical service providers, county jailers, county attorney investigators, and National Guard installation security officers - from Regular membership to the protection occupation group for future service only.

Changes of assumptions:

The 2014 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.25% to 3.00%.
- Decreased the assumed rate of interest on member accounts from 4.00% to 3.75% per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Moved from an open 30 year amortization period to a closed 30 year amortization period for the UAL beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20 year period.

The 2010 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted retiree mortality assumptions.
- Modified retirement rates to reflect fewer retirements.
- Lowered disability rates at most ages.
- Lowered employment termination rates.
- Generally increased the probability of terminating members receiving a deferred retirement benefit.
- Modified salary increase assumptions based on various service duration.

The 2007 valuation adjusted the application of the entry age normal cost method to better match projected contributions to the projected salary stream in the future years. It also included the one-year lag between the valuation date and the effective date of the annual actuarial contribution rate in the calculation of the UAL amortization payments.

* * *

See accompanying independent auditor's report.

COMMENTS AND RECOMMENDATIONS

Gronewold, Bell, Kyhnn & Co. P.C.

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Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters
Based on an Audit of a Financial Statement Performed in Accordance with
Government Auditing Standards

To the Members of the Adair County
Sanitary Landfill and Recycling Center

We have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statement of the Adair County Sanitary Landfill and Recycling Center as of and for the year ended June 30, 2016, and the related notes to financial statement, and have issued our report thereon dated December 29, 2016. Our report expressed an unmodified opinion on the financial statement which was prepared on the basis of cash receipts and disbursements, a basis of accounting other than U.S. generally accepted accounting principles.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered Adair County Sanitary Landfill and Recycling Center's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Adair County Sanitary Landfill and Recycling Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Adair County Sanitary Landfill and Recycling Center's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in internal control described in the accompanying Schedule of Findings and Responses to be significant deficiencies: I-A-16.

To the Members of the Adair County
Sanitary Landfill and Recycling Center

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Adair County Sanitary Landfill and Recycling Center's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards.

Comments involving statutory and other legal matters about the Center's operations for the year ended June 30, 2016 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statement of the Center. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Responses to Findings

Adair County Sanitary Landfill and Recycling Center's responses to findings identified in our audit are described in the accompanying schedule of findings and responses. The Center's responses were not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing and not to provide an opinion on the effectiveness of the Center's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

G. M. Wold, Ben, Lyman & W. P. C.

Atlantic, Iowa
December 29, 2016

Adair County Sanitary Landfill and Recycling Center

Schedule of Findings and Responses

Year ended June 30, 2016

PART I - FINDINGS RELATED TO THE FINANCIAL STATEMENT

INTERNAL CONTROL DEFICIENCIES

16-I-A Segregation of Duties: A limited number of people have the primary responsibility for many of the accounting and financial duties. As a result, some of those aspects of internal accounting control which rely upon an adequate segregation of duties are, for all practical purposes, missing in the Center. This is a common deficiency among small Organizations.

Recommendation: We recognize that it may not be economically feasible for the Center to employ additional personnel for the sole purpose of segregating duties, however, it is our professional responsibility to bring this control deficiency to your attention. We recommend that the Board be aware of the lack of segregation of duties and that they act as an oversight group to the accounting personnel.

Response: The Board is aware of this lack of segregation of duties, but it is not economically feasible for the Center to employ additional personnel for this reason. The Board will continue to act as an oversight group.

Conclusion: Response accepted.

16-I-B Financial Reporting: Loan principal and interest payments for the Center's long-term debt were not properly reflected on the Center's general ledger on the cash basis of accounting. The payments were recorded in liability accounts so the activity was not reflected as receipts or disbursements.

Recommendation: Since the Center reports on the cash basis of accounting, all receipts and disbursements should be appropriately recorded on the Center's general ledger.

Response: The Board is aware of the long-term debt payments being recorded as liability on accrual basis instead of on cash basis. The Board will continue to monitor this process.

Conclusion: Response accepted.

* * *

Adair County Sanitary Landfill and Recycling Center

Schedule of Findings and Responses

Year ended June 30, 2016

PART I - FINDINGS RELATED TO THE FINANCIAL STATEMENT - Continued

INSTANCES OF NON-COMPLIANCE

No matters were reported.

* * *

PART II - OTHER FINDINGS RELATED TO REQUIRED STATUTORY REPORTING

16-II-A Questionable Disbursements: No disbursements we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.

16-II-B Travel Expense: No disbursements of Center money for travel expenses of spouses of Center officials or employees were noted.

16-II-C Board Minutes: No transactions were found that we believe should have been approved in the Board minutes but were not.

16-II-D Deposits and Investments: No instances of non-compliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the Center's investment policy were noted.

16-II-E Solid Waste Fees Retained: No instances of non-compliance with the solid waste fees used or retained in accordance with provisions of Chapter 455B.310 of the Code of Iowa were noted.

Adair County Sanitary Landfill and Recycling Center

Schedule of Findings and Responses

Year ended June 30, 2016

PART II - OTHER FINDINGS RELATED TO REQUIRED STATUTORY REPORTING -
Continued

16-II-F Financial Assurance: The Center has elected to demonstrate financial assurance for closure and postclosure care by establishing a local government dedicated fund as provided in Chapter 567-113.14(6) of the Iowa Administrative Code. The calculation is made as follows:

	<u>Closure Total</u>	<u>Postclosure</u>
Total estimated costs for closure and postclosure care	\$ --	\$ 729,191
Less: Balance of funds held in the local dedicated fund at June 30, 2015	<u>--</u>	<u>712,899</u>
	--	16,292
Divided by the number of years remaining in the pay-in period at beginning of year	<u>÷ 1</u>	<u>÷ 1</u>
Required payment into (withdrawal from) the local dedicated fund for the year ended June 30, 2016	--	16,292
Balance of funds held in the local dedicated fund at June 30, 2015	<u>--</u>	<u>712,899</u>
Required balance to be held in the local dedicated fund at June 30, 2016	<u>\$ --</u>	<u>\$ 729,191</u>
Amount Center has restricted for closure and postclosure care at June 30, 2016	<u>\$ --</u>	<u>\$ 740,562</u>

Iowa Department of Natural Resources rules and regulations require deposits into the closure and postclosure care accounts be made at least yearly, and the deposits shall be made within 30 days of the close of each fiscal year. The required deposit was made for the postclosure fund.

The total of the Center's restricted funds did exceed the required balance in total. The postclosure account has a surplus of \$11,371.

* * *